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1 PREAMBLE

The board of directors of Paradeep Phosphates Limited (“Company”) in pursuance of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions (including any statutory enactments / amendments thereof), adopted the code of conduct for members of the board of directors of the Company (“Board”) and senior management personnel vide its Board meeting held on 10th August 2021

The Company is committed to ethical and lawful business conduct and perceives it as critical to the Company's success. The Company will uphold ethical and legal standards while pursuing its objectives. Consistent with these principles, the Company's Board has adopted the Code for compliance both in letter and spirit by all Directors and Employees. While it is not possible to anticipate every situation or circumstance that may arise, the Code is intended to serve as a broad guide. The Board reserves the right to amend, alter or terminate the Code at any time and for any reason, subject to applicable law.

Directors and Employees who violate/deviate from the requirements of the Code will attract disciplinary action which may include termination of office /employment.

In performing their functions, Directors and Employees will:

- Act with integrity, probity, honesty, transparency and with utmost good faith.
- Actively assist in implementing the Company's Objectives and creating an organization that is responsive, positive and driven by business and social needs.



2 CODE OF BUSINESS CONDUCT AND ETHICS

2.1 *Honesty & Integrity*

All Directors and Employees are required to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Honest conduct is the conduct that is free from any fraud, deception and indiscipline. Ethical conduct is the conduct conforming to the accepted professional standards of conduct and shall include ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

- The directors and the senior management personnel shall:
- Act honestly, fairly, ethically, with integrity and loyalty and conduct themselves in a professional, courteous and respectful manner;
- Act in the best interests of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfill their fiduciary duties to the stakeholders of the Company;
- Act in good faith, with responsibility, due care, competence, diligence and independence.
- Treat their colleagues and other associates of the Company with dignity.

2.2 *Conflict of Interest*

A "conflict of interest" exists when personal interest interferes in any way with the interests of the Company. As a general rule, Directors/ Employees should avoid actual or apparent conflicts of interest between their personal and professional relationships. A situation of conflict of interest arises when a Director/Employee has interests that may make it difficult to perform his/her or her company work objectively and effectively. Another example of situation of conflict of interest is when a Director/Employee or members of his/her or her family, receives personal benefits as a result of his/her or her position in the Company.

It is deemed to be a conflict of interest or independence for a Director/Employee to work simultaneously for a competitor, customer or supplier. Directors/Employees are not allowed to work for a competitor as a consultant or board member unless approved by the Board. Conflicts of interest are prohibited as a matter of Company policy, except in exceptional circumstances and with the prior approval of the Board and subject to limitations imposed by law. It is not possible to describe all situations of conflicts of interest that could arise. Conflicts of interest may not always be clear-cut, so if a Director/Employee is unclear, he/she should seek guidance of his/her immediate superior and/or the Chairman of the Audit Committee.



The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers or suppliers. No costly/unusual gift or entertainment should be offered, given, provided or accepted by any Director/Employee or his/her relatives.

Directors / Employees shall use the Company's assets, labour or information in accordance with the Company's Policy on use of office systems and equipment. Any deviation to the policy shall be approved by the Managing Director.

A Director's disclosure of interest under Section 184 of the Companies Act, 2013 shall be treated as sufficient compliance under this clause regarding situations of potential conflicts of interest.

2.3 ***Confidential Information***

Directors/Employees shall maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as Directors/Employees, except when disclosure is duly authorized by the Managing Director or the Audit Committee or the Board of Directors or is required by laws or regulations. Confidentiality extends to information that suppliers and customers have entrusted to the Company. Use of confidential information for personal gain is strictly prohibited.

Confidential or proprietary information about clients, our organization, or other parties, which has been gained through employment or affiliation with the Company, shall not be used for personal advantage or for the benefit of third parties.

2.4 ***Regulatory and Policy Compliance***

The Company is devoted to maintaining high standards of corporate governance and integrity to ensure enhancement of stakeholder value through sustained growth and business development. The major elements of Regulatory and Policy Compliance are:

- Compliance with applicable laws, rules and regulations in letter and spirit in all areas in which the Company operates
- Compliance with the Company's policies and Procedures

All Directors and Employees are expected to be aware of the legal and policy requirements and internal controls that apply to their activity. They are responsible for:

- Keeping accurate financial records for all their transactions, forecasts and business assessments.
- Safeguarding Company's assets that are entrusted to them.
- Support the organization in complying with all laws and regulations.
- Perform day to day activities in accordance with the Company's Policies and procedures.



2.5 ***Corporate Social Responsibility***

Being dedicated to partnering for prosperity with the Indian farmer, the Company touches the lives of many through its many corporate social responsibility initiatives like Community Development, supply of amenities such as water, construction and maintenance of bus stops, highway medians, Scholarships etc., which are undertaken as per CSR policy of the Company.

The Company is committed to serve the community around its area of operations. It believes that no organization can survive in isolation and it has a responsibility towards public at large. The Company aims to reach out to the neighbouring communities, conserve the environment and nurture young people. It shall take requisite community development initiatives around the areas of its operations.

Directors and Employees encouraged to participate in community services taken up by the Company. While participating in community service activities and events, the Employees shall not influence the Company to make donations or contributions to community of his / her personal choice.

2.6 ***Diversity***

The Company's vision is based on inspiring and unleashing creative potential. This is possible in an environment where we all respect the rights of those around us. In this direction, the Company treats all employees in all aspects of employment solely on the basis of ability irrespective of race, colour, caste, creed, religion, age, disability, gender, sexual orientation and marital status. It doesn't discriminate or tolerate discrimination in hiring, promoting, training or terminating people on the basis of the factors mentioned above.

2.7 ***Safe Work Environment***

The Company does not compromise in its commitment to environment, health and safety and be responsible for maintaining a safe work environment. Health and safety of the people in and around its area of operations are of paramount importance. It is committed to environment protection, pollution control and maintenance of ecological balance and shall maintain high standards of pollution control, environment protection and safety. The Company provides good physical working conditions and encourage high standards of hygiene and housekeeping.

Anyone who by himself or in collusion with others, threaten or commit acts leading to fear, violence or otherwise, affecting the safe work environment will be subjected to necessary disciplinary action.

2.8 ***Alcohol and Substance Abuse***

The Company views alcohol and substance abuse very seriously and takes a tough stand against it. No one is permitted to report to work or operate any equipment, machines or



vehicles while under the influence of alcohol or controlled substances. This also applies to any other work site assigned during work hours. In addition, the policy forbids selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the premises. Smoking is strictly banned in the factory premises and other 'No Smoking' areas across the facility.

2.9 ***Harassment***

The Company does not tolerate harassment of employees based on their caste, religion, race, gender etc. It shall investigate, promptly and thoroughly, all allegations of harassment. The behaviour of employees shall be conducive in promoting a harmonious work environment. An employee shall not conduct himself / herself in a manner that is uncomfortable to others. Employees who by themselves or in collusion with others, subject another employee of business associate to any kind of harassment, will be subjected to disciplinary action.

2.10 ***Prevention of Sexual Harassment of Women***

The Company has instituted Internal Complaints Committee for redressal of sexual harassment complaint made by the victim and for ensuring time bound treatment of such complaints. Complaints shall be dealt with in accordance with the guidelines laid down in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013 and rules framed thereunder. Confidentiality will be maintained throughout investigation to the extent practicable and appropriate under the circumstances to protect the interests of the accused and the victim.

However, the employees shall not resort to file false complaints of sexual harassment to vent their personal vengeance on any employee of the Company. Any such reprisal will be subject to disciplinary action.

2.11 ***Dress Code***

The employees are the ambassadors of the Company in the eyes of public and must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of work performed including wearing of uniforms and using personal protection equipment. Employees are required to follow the dress Code and encourage other employees to follow the dress Code. Employees should adhere to the dress Code during the job or while representing the Company within or outside the Company premises.

2.12 ***Protecting Intellectual Property***

Intellectual property includes plant processes and design documents, proprietary information (including management information, other trade secrets, technical know-how, whether patented or not, trademarks, copyrights, patents and relationship with customers and suppliers etc). The Company protects, maintains and defends its rights in all commercially significant intellectual property and original works of authorship. These include proprietary computer programs, Company manuals and databases.



Unauthorized use of the intellectual property rights or copyrighted materials of others may expose the Company to lawsuits and damages. Any design, method, research, invention during the course of employment of any employee shall be the intellectual property of the Company. Employees are expected to handle Intellectual Property with due care without resorting to any act of infringement. No employee shall, during or after his/her employment, use any intellectual property of the Company in his/her personal name.

2.13 ***Media and Investors***

The Group Public Relations Department (PRD) works with the media / press every day to ensure that they have the right information. PRD also works closely with Investor Relations to ensure that all external communications comply with regulatory and Company guidelines. If a member of the media reaches out to an employee then the employee is required to direct the concerned person to the PRD.

Only the Chairman, Managing Director and Company Secretary (jointly or severally) shall have the authority to represent the Company to the investors.

2.14 ***Insider Trading***

Director and members of the Senior Management shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about the Company and therefore constituting insider information. All Directors and members of the Senior Management shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy(ies) framed by the Company under said SEBI regulations.

2.15 ***Gifts, Bribery, Kickbacks***

It is against the policy to give or receive anything of value to gain an unfair competitive advantage. Giving and receiving gifts, favours and entertainment is subjected to strict standards. Creating goodwill is the only acceptable purpose of gifts or entertainment. Gifts that make the receiver feel obligated to “repay the favour” by doing business with the giver are improper. Gifts include not only tangible items and cash but also entertainment, personal services and even discount on purchases.

Bribe is the offer of something of value with the intent to influence an official act of a customer, supplier, government official or international agency. The Company prohibits improper payments directly or indirectly in all its dealings with customers, government officials and any other national or international agencies.

Statutory laws and regulations impose civil and criminal penalties against companies that offer or accept kickbacks in connection with public sector procurements. In essence, these laws prohibit giving anything of value in exchange for favourable treatment between prime contractors and subcontractors. A kickback does not have to



be completed to fall within the scope of these laws. Even attempts to provide or receive a kickback are illegal.

2.16 ***Criminal Wrongdoing, Theft and Fraud***

We will not knowingly deal, directly or indirectly, with any person, entity or group subject to anti-social element or whom we believe or have reason to believe is involved in the financing of anti-social or criminal activities.

Defalcation, embezzlement, fraud, theft or misappropriation of funds or property belonging or entrusted to Company is strictly prohibited and will not be tolerated. Fraud can occur in any department, in many different ways, and does not always involve the loss of goods or money. Employees must immediately report any suspected or attempted fraud, unexplained disappearance of funds or securities, or other suspected criminal activity, to their Board of Directors.

2.17 ***Political Activities***

Participation to legislative Assembly, parliament, local bodies and consequently holding position of Member of Legislative assembly, Member of Parliament, Chairman/ Member of Panchayat/ Local Body or such other position which would prevent an employee from devoting full time to the job. Employees should not engage in any political activity in the workplace unless authorized by senior management. As an individual citizen, Employees may have an interest in the governmental process or in influencing or developing relationships with public officials. However, participating in such governmental processes at the national, state or local level resulting in legal implications and liability for the Company would be considered as breach of Code of Conduct.

2.18 ***Collusive Bidding***

Statutory regulations prohibit particular types of anticompetitive behaviour—that is, business arrangements among competitors that restrict open competition in various procurements. These activities generally are labeled as collusive bidding. Employees shall refrain from sharing Company pricing and bid strategies with any outside individuals or companies without prior approval from the designated person.

The most common collusive bidding schemes are:

- Bid suppression, which occurs when two or more competing contractors agree either not to bid on a particular contract or withdraw their bids so a particular contractor wins the award
- Complementary bidding, which involves two competitors who agree that one of them, will win an award. The designated winner-to-be either shares with the others the price he intends to offer or simply instructs others what they should bid. This scheme creates the illusion of competition where there really is none



- Bid rotation, in which contractors bidding on the same contracts agree to take turns as low
- Bidder over a period of time. Some of these plans allow the losing bidders to become Subcontractors to the winner
- Market division, in which competitors agree to divide a market among themselves on the basis of criteria other than rotation

2.19 ***Black Marketing, Adulteration and Counterfeit Products***

The Company views activities such as black marketing, adulteration and counterfeit products as a serious offence which results in reputational risk to the Company and therefore it takes a tough stand against it. Statutory laws and regulations impose civil and criminal penalties against companies that indulge in black marketing of their products or selling adulterated / counterfeit products. Employees and business associates shall make sure that Company products are sold in the market only through legal and proper business channels recognized by the Company and all such transactions are being recorded in the books of accounts. Also, employees and business associates shall not indulge in adulterating any Company products, buying any counterfeit products or selling any counterfeit product as a Company's product.

2.20 ***Duties of Independent Directors***

Independent Directors shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member and also the general meetings of the company
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
6. keep themselves well informed about the company and the external environment in which it operates;
7. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
8. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;



9. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
10. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
11. acting within his/her authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
12. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.



3 FUNCTIONS OF THE BOARD AND GOOD CORPORATE GOVERNANCE PRACTICES

Each member of the Board of Directors and Senior Management of the Company should adhere to the following so as to ensure compliance with good Corporate Governance practices.

(i) Key Functions of the members of the Board

Without limiting the generality of the duties stated in the Companies Act, 2013, SEBI Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed there under and other applicable laws, the duties of a director are as under:

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
2. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of Directors with the longer term interests of the Company and its shareholders.
5. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board.
6. Monitoring and managing potential conflicts of interest of management, members of the Board and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing Board's evaluation framework.

(ii) Do's

1. Attend Board meetings regularly and participate in the deliberations and discussions effectively.



2. Study the Board papers thoroughly and enquire about follow up reports on definite time schedule.
3. Involve actively in the matter of formulation of general policies.
4. Be familiar with the broad objectives of the Company and the policies laid down by the government and the various laws and legislations.
5. Ensure confidentiality of the Company's agenda papers, notes and minutes.

(iii) Dont's

1. Do not reveal any information relating to any constituent of the Company to anyone.
2. Do not display the logo / distinctive design of the Company on their personal visiting cards / letter heads. Do not sponsor any proposal relating to loans, investments, buildings or sites for Company's premises, enlistment or empanelment of contractors, architects, auditors, doctors, lawyers and other professionals etc.
3. Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.
4. Do not buy or sell or suggest to anyone else buy or sell the securities of any company, either directly or through family members or other persons or entities, while you are aware of inside information about the company.
5. No employee including Senior Management, key managerial personnel or Director of the Company shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.
6. Do not take any personal opportunities directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position



4 COMPLIANCE PROCEDURES

4.1 *Complaint & Investigation*

The matters covered in this Code of Conduct are of utmost importance to the Company and its Employees, and are essential to the Company's ability to conduct its business in accordance with its stated values. The Company expects all Employees to adhere to these rules in carrying out their duties for the Company.

Complaint / Non-compliance with this Code is required to be reported in writing to the respective head of the respective Dept.

On receipt of any such complaint / non-compliance report, the functional head in association with head HR dept. shall conduct and complete necessary review, inquiry and investigation in a fair and transparent manner, in accordance with the applicable policy and procedure of HR dept. within 60 days of receipt of such complaint / non – compliance and submit the report to the Director – Works and Managing Director / Board of Directors for their information / necessary action.

4.2 *Annual Confirmations:*

Every Director and Employees of the rank of Vice-President and above shall annually confirm on or before April 15 compliance of the Code in the prescribed form sent by the Company Secretary.



5 WAIVER OR AMENDMENT

Any waiver of the Code or any provision of the Code for any Director/Employee must be made only by the Board of Directors and disclosed as required by law or SEBI/Stock Exchange regulations.

While every Director and member of Senior Management has to himself ensure compliance with this code, any instance of violation or possible violation of this code by the concerned Director or member of Senior Management or by any other Director member of Senior Management person shall be immediately reported to the Board through the compliance officer

Board of Directors can amend this Code as and when deemed fit. Any or all provisions of this Code would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, which make the provisions laid down under this Policy inconsistent with such amendment(s), clarification(s), circular(s) etc. then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.